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UNCLAS SECTION 01 OF 02 LIMA 004596

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: PREL PARM KPAO PE SUBJECT: PUBLIC DEBATE IN PERU OVER CONTRACTING OF SECURITY

PERSONNEL TO WORK IN IRAQ

REF: A. LIMA 4544 ¶B. SANTIAGO 2170

Sensitive But Unclassified, Please Handle Accordingly

- $\P1$. (SBU) SUMMARY: Peruvians going to Iraq to work as contract security specialists for a U.S. company have become the focus of wide-spread media and official interest. Several hundred Peruvians have signed contracts with Peruvian representatives of the U.S. firm Triple Canopy Inc. The President of the Consumer Defense Commission of the Congress criticized the manner in which the Peruvians were hired, and said he would require three Ministers to testify on the matter. Press reports questioned the propriety of the Peruvian Army's participation in training the security personnel; examination of this issue may be a source for further controversy. Post expects that barring new revelations, interest in this story will fade, but will be revived if there are Peruvian casualties. END SUMMARY.
- 12. (U) The recent departure of Peruvians for Iraq to work as contract security specialists for U.S. companies has drawn extensive media and official interest. Television crews staked out Lima's Jorge Chavez International Airport to report on the groups of several dozen Peruvians at a time embarking for Iraq. Although exact numbers varied depending on the source, most reports agreed that several hundred Peruvians have signed contracts with Peruvian representatives of the U.S. firm Triple Canopy Inc. for positions as security agents. Although many of those departing were reluctant to speak with the press, the ones who did said they were former military or police officials, and that they were traveling to Iraq willingly, because of the poor employment prospects they faced in Peru. The contract employees were said to be receiving around \$1,000 to \$1,200 per month.
- $\underline{\P}3$. (U) The President of the Consumer Defense Commission of the Congress, Yohny Lescano, on 10/19 criticized the manner in which the Peruvians were hired for service in Iraq, stating that the Peruvian Government needed to ensure that there were guarantees for the safety and human rights of these individuals. Lescano said he planned to require testimony on this point from the Ministers of Foreign Relations, Labor and Justice. Lescano also speculated that the presence of Peruvians in Iraq could bring about retaliatory attacks by Al Qaeda against Peru. Lescano's attorney-advisor, Rosario Sacieta, alleged that the personal services contracts were illegal, since the Peruvian intermediary, Defiont SAC, was not properly registered with the Labor Ministry. Subsequently, the Defense Commission of the Congress scheduled a 10/26 hearing with Defense Minister Marciano Rengifo.
- $\P4.$ (U) Most major newspapers here (e.g., "Peru.21" and "Correo") have covered this story on both their news and editorial pages. Leading Lima daily "La Republica" published several articles, mostly critical, on the hiring of Peruvians to work in Iraq. On 10/21, the paper criticized the "privatization" of the war in Iraq via subcontracting as a means of getting around restrictions on the regular military.

 A report on 10/22 questioned the propriety of the Peruvian Army's participation in the contract carried out by the local firm Gun Supply SAC for training 218 of the contractors destined for Iraq. The article noted that through the quasi-official Army Munitions Factory, the Army contracted with Gun Supply to provide facilities and ammunition for training these individuals. (NOTE: A key issue that could prove damaging for the testimony of Minister Rengifo is whether the trainees were improperly given permission to use military equipment for their exercises. END NOTE.) A follow-up piece on 10/23 stressed the vulnerability of the Peruvian personnel, noting that the local hiring firm, Defiont, disclaimed any responsibility for their welfare -- Defiont said this was the obligation of Triple Canopy, the prime contractor in the U.S.
- (SBU) Peru's Foreign Ministry took a neutral stance, although as noted in Ref A, the situation has delayed the Ministry's issuance of a statement in support of the Iraq public referendum. Foreign Minister Maurtua stated on 10/22 that the GOP cannot prohibit its citizens from going to Iraq to carry out security functions, and that the Ministry's role was limited to alerting Peruvians to the risks they may face

if they chose to do so.

16. (U) There has been press play here on the investigative reports about the similar situation of Chileans being hired to work in Iraq (Ref B). There is recognition, however, that the circumstances are different in Peru, both in terms of the legal situation of the companies doing the recruiting (apparently more tenuous in Chile), and the duties for which employees are being sought (less sophisticated work in the case of Peru).

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